

NATIONAL CANNERS ASSOCIATION
INFORMATION LETTER

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**RULING ON 40-HOUR WEEK FOR OPERATIONS ON
NONPERISHABLES**

In reply to an inquiry as to whether canners who have operated on perishable products under paragraph 4 of the PRA as modified for application to the canning industry may now operate on nonperishable products a maximum of 40 hours per week for six weeks under paragraph 3 of the PRA, the Compliance Division of the NRA has written the Association as follows:

"It is the understanding of this Administration that firms in the canning industry may now operate on nonperishable products for not to exceed 40 hours per week during a six-weeks period, or any portion of a six weeks period that has not previously been used up under this agreement, regardless of the fact that they may have operated long hours during the processing season for seasonable perishable products when shorter hours would have caused loss of deterioration of raw materials."

**SEPARATE CODES FOR FOOD MANUFACTURERS AND
DISTRIBUTORS**

Separate codes of fair competition for the manufacturers of food and grocery products and for wholesalers and retailers of these products are being prepared, and probably will be substituted for the master food code on which a four-day public hearing was recently concluded, it was announced on November 21 by the Agricultural Adjustment Administration.

It is anticipated that no further public hearings will be necessary before the codes are finally approved, according to the announcement, which further states:

While the codes will operate to cover all manufacturing and all distribution of food and grocery products, separate groups will be given opportunity to adopt codes of their own, where the conditions in their industries differ materially from those in the food manufacturing and distribution industries as a whole. At the time of the public hearing, a number of groups, including the canners, the fisheries industry, the fresh fruit and vegetable industry, the importers, and others, asked to be exempted from its provisions.

Originally it was thought that one master code might be placed in effect for the entire industry, but because conditions that prevail in the manufacturing of grocery products, differ from and are distinct from conditions in their distribution, it was found necessary to prepare two separate codes.

Wage and hour provisions for the manufacturing food industries are expected to be covered in separate codes. These separate codes, in some instances, will also contain modified provisions for fair trade practice where special conditions exist. Wage and hour provisions for the retail and wholesale branches of the industry were placed in effect by President Roosevelt several days ago.

CANNED RIPE OLIVE AGREEMENT SENT TO CALIFORNIA CANNERS

A marketing agreement for the ripe olive canning industry of California, which by setting minimum prices to producers is expected to more than double their income as compared with 1932, has been tentatively approved by the Agricultural Adjustment Administration and sent to canners for signature. According to present estimates, the agreement will bring growers an income this year of \$937,000, or over \$400,000 more than the crop would bring otherwise. The announcement states:

In addition to setting minimum prices to producers, the agreement provides for a schedule of minimum resale prices, for a control committee of growers and canners, and for a crop estimating committee. The control committee is to determine the total pack and may prorate tonnage to growers.

The agreement fixes a weighted average price of \$108 per ton, which is three times the comparable 1932 price. The price schedules differ for different varieties.

Nine members are to make up the control committee. Three of these are to be selected by a majority of growers of olives who are not canners; three by a majority of the weighted vote of canners who are also growers, including cooperative associations; two members by a majority of the weighted vote of all other canners; and one member not a grower or canner or engaged in distribution, to be selected by the first named eight members.

The crop estimating committee is to include one member selected by the California Farm Bureau Federation, one member by the California Olive Association, and one member selected by a majority of all canners who are not members of the California Olive Association.

Practically all olives grown in the country are produced in California; a very few come from Arizona. The surplus over the needs for canning is used for olive oil. About 70 per cent of the crop is canned by grower-controlled organizations. As this year's crop is small, it may be unnecessary to limit the pack.

FLORIDA CITRUS MARKETING AGREEMENT GOES TO SHIPPERS

A marketing agreement covering Florida grown oranges and grapefruit and based on the prorate principle has been tentatively approved and sent to shippers in that state for signature, the Agricultural Adjustment Administration has announced.

It is the second of three state and regional citrus fruit marketing agreements upon which the Administration plans to base a national citrus stabilization program. An agreement has already gone to California shippers for signature and a Texas agreement

was tentatively approved by the Secretary of Agriculture on November 21.

LABOR CODES FOR WHOLESALE AND RETAIL GROCERS APPROVED

Codes governing wages, hours and employment conditions in the wholesale and retail grocery trades have been approved by President Roosevelt. Previously a code governing the retail trade, except the food trades, had been approved and put into effect.

ADDRESSES OF NRA DISTRICT COMPLIANCE DIRECTORS

The Department of Commerce in a recent issue of its bulletin "Domestic Commerce" published a list of the offices of the various District Compliance Directors of the NRA, along with a map of the territory covered by each office. For the information of canners who may wish to know the location of these offices the list of offices is here reproduced:

Atlanta, Ga.	504 Post Office Building
Birmingham, Ala.	257 Federal Building
Boston, Mass.	1800 Customhouse
Buffalo, N. Y.	Chamber of Commerce Building
Charleston, S. C.	Chamber of Commerce Building
Chicago, Ill.	Suite 1706, 201 N. Wells Street
Cleveland, Ohio	Chamber of Commerce Building
Dallas, Tex.	Chamber of Commerce Building
Detroit, Mich.	801 First National Bank Building
Houston, Tex.	Chamber of Commerce Building
Indianapolis, Ind.	Chamber of Commerce Building
Jacksonville, Fla.	13 Chamber of Commerce Building
Kansas City, Mo.	1028 Baltimore Avenue
Los Angeles, Calif.	1163 S. Broadway
Louisville, Ky.	408 Federal Building
Memphis, Tenn.	229 Federal Building
Minneapolis, Minn.	213 Federal Building
New Orleans, La.	225-A Customhouse
New York, N. Y.	734 Customhouse
Norfolk, Va.	406 East Plume Street
Philadelphia, Pa.	933 Commercial Trust Building
Pittsburgh, Pa.	Chamber of Commerce Building
Portland, Oreg.	215 New Post Office Building
St. Louis, Mo.	Suite 1216, 506 Olive Street
San Francisco, Calif.	311 Customhouse
Seattle, Wash.	809 Federal Office Building

TRUCK CROP PROSPECTS

The following statements briefly review the mid-November reports on acreage and production forecasts of certain commercial truck crops in specified groups of states for the 1933-1934 season.

SNAP BEANS.—A production of 1,757,000 bushels of snap beans for fall shipment is expected in Florida and Texas, which supply the earliest new

crop movement for the 1934 season, as compared with 1,064,000 bushels last fall, an indicated increase of 65 per cent. The reported acreage is three-fourths greater than last fall's acreage of 12,700 acres and 86 per cent greater than the five-year average acreage of 12,000 acres for the years 1928-1932. The indicated yield per acre is slightly below the yield of one year ago.

CARROTS.—There are 5,630 acres of fall crop carrots reported for California compared with 5,030 acres last fall, an increase of 12 per cent. With an indicated yield per acre slightly above the yield of one year ago, the production is expected to be 13 per cent larger than last fall's crop, or 2,815,000 bushels compared with 2,485,000 bushels last fall.

CAULIFLOWER.—The production forecast for the fall and winter group of states, (California, Oregon and Texas) is more than one-fifth larger than the 1932-1933 crop, or 2,904,000 crates for this season compared with 2,386,000 crates one year ago.

CELERY.—There are 1,408,000 crates (2/3 size) of fall and winter crop celery expected to be produced in California, which is more than double the 1932-1933 harvested crop of 693,000 crates.

EGGPLANT.—The forecast of production for the fall group of states (Florida and Texas) is 8 per cent below last fall's estimated production, or 2,815,000 bushels compared with 2,485,000 bushels last fall.

GREEN PEPPERS.—The production of fall crop peppers in Florida is expected to be only two-thirds as large as last fall's crop, or 150,000 bushels compared with 224,000 bushels last fall. Both reported acreage and indicated yield per acre are well below the estimates of acreage and yield for last fall.

TOMATOES.—The production of 290,000 bushels forecast for the fall group of states, Florida and Texas, is more than one-third greater than last fall's crop of 215,000 bushels. Although the reported acreage is 35 per cent below that of one year ago, yields are expected to be higher in both states and the indicated average for the group is more than double the 1932-1933 yield per acre.

MORE REPORTS ON CHAIN STORES

Three additional reports on chain stores have been transmitted to the Senate by the Federal Trade Commission, which has also issued summaries of these reports for publication.

One report deals with discounts and allowances in the grocery trade. The Commission summarizes the situation as follows:

The average rates of allowances on total sales of all manufacturers to chain store systems (1.89 per cent in 1929 and 2.02 per cent in 1930) were more than twice the rate to wholesalers (0.87 per cent in 1929 and 0.91 per cent in 1930) and almost twice those given to cooperative chains (1.00 per cent in 1929 and 1.04 per cent in 1930).

However, of the 457 manufacturers reporting in 1929 and 464 reporting in 1930, only 253 and 273 respectively made allowances to chain, wholesale or cooperative dealers. Their allowances to chain store systems in 1929 amounted to 3.44 per cent on these manufacturers' sales to the chains as compared with an average rate of 2.68 per cent given on sales to wholesale dealers by the same manufacturers, and 2.55 per cent on sales to cooperative chains by the manufacturers making allowances. In 1930, manufacturers reported their allowances to chain stores as 3.58 per cent on total sales made to these chains while their allowances to wholesalers and cooper-

ative chains amounted to 2.33 per cent and 2.54 per cent on sales, respectively.

Total allowances of \$6,306,213 made to all dealers in 1929 amounted to 3.34 per cent of the sales of manufacturers granting allowances. In 1930, the allowances of \$6,439,514 were at the rate of 3.43 per cent of sales of those manufacturers who gave allowances.

Another report shows the distribution of chain stores by states. In its summary the Commission states:

Two-thirds of all chain stores reported in each year of a survey conducted by the Commission were concentrated in three contiguous and populous divisions in the Northeast-New England, the Middle Atlantic, and East North Central, although since 1919 the aggregate proportion of stores in this combined area has been gradually diminishing.

The striking increase in both chains and stores shown for 1928 over 1913 extends generally to all states. New York leads all other states in the number of both chains and stores reported for each year. There are only five states in which as many as 10 per cent of the total chain-store companies were operating in some one year or more of the series covered: New York, Illinois, Ohio, Pennsylvania, and Massachusetts. Approximately 50 per cent of the total number of stores reported for each year of the series were concentrated in those five states, with an additional 25 per cent approximately in the five states next in order: New Jersey, California, Michigan, Indiana, and Missouri.

On the basis of the number of chain stores per 100,000 inhabitants (year 1928) the District of Columbia takes first place, New Jersey second, Massachusetts third, and New York fourth.

The third report deals with credit and other service facilities of chain stores, as to which the Commission's summary states:

Almost one-half of 1,700 reporting chain-store systems operating more than 8,000 stores and selling more than one and one-quarter billions of dollars of merchandise in 1928, employed credit to some extent. For all kinds of chain stores combined, it was estimated that cash sales were 90 per cent of the total sales.

While almost half of the chains rendered some delivery service, such chains operated less than one-fifth of the stores and accounted for less than one-third of the total sales of all chains reporting. Furniture and musical instrument chains show the greatest use of free delivery service, practically the entire sales volume of these chains being delivered free of charge to customers. The proportion of the total volume of business delivered free of charge by groceries was 17 per cent.

A little more than one-half of the reporting chains stated that none of their stores accepted telephone orders in 1928. Those chains account for slightly less than one-half of the stores and sales reported by the 1,490 chains.

Of the 10,474 stores operated by grocery chains reporting to the Commission on self-service features, 1,198 or 11.4 per cent were self service stores, while of the 32,330 stores of the reporting grocery and meat chains, 1,811 or only 5.6 per cent were operated on the self-service principle.

CANADIAN LOBSTER PACK

At the annual meeting of the Maritime Canned Fish Section of the Canadian Manufacturers Association on October 27, tenta-

tive figures were announced on the total lobster pack of the Maritime Provinces of Canada showing a decrease 25 to 30 per cent under the pack of 1932. The spring pack was estimated at 106,000 cases. Figures for the fall pack were not available although the quantity of meat put up was comparatively light.

PRODUCTION AND STOCKS OF CANNED MILK

	1933 Pounds	1932 Pounds	Change Percent
Manufacturers' stocks (case goods) Nov. 1:			
Evaporated (33 firms).....	233,217,449	146,152,774	+ 59.57
Condensed (7 firms).....	13,988,198	16,301,653	-19.04
Total production, Oct.:			
Evaporated (32 firms).....	105,044,334	101,040,000	+ 3.94
Condensed (6 firms).....	4,030,403	5,742,142	-20.70

FROZEN AND PRESERVED FRUITS IN COLD STORAGE

The following table shows the holdings of fruit in cold storage reported by the Bureau of Agricultural Economics as of November 1, also a comparison with last year and with a five-year average:

	Nov. 1 1933	Nov. 1 1932	5-year average
APPLES:			
Barrels.....	935,000	1,242,000	2,053,000
Boxes.....	9,962,000	12,873,000	13,478,000
Baskets.....	8,653,000	9,881,000	7,545,000
PEARS:			
Boxes.....	1,600,000	1,768,000	2,085,000
Baskets.....	223,000	253,000	199,000
Frozen and preserved fruits (pounds).....	64,877,000	83,579,000	80,378,000

SHRIMP PACK TO NOVEMBER 15TH

The shrimp pack during the week ended November 15 was 14,328 cases, according to reports to the Shrimp Section of the National Canners Association, making a total pack from August 3 to November 15 of 567,657 cases.

CONTROL OF MALAYAN PINEAPPLE CANNERRIES PROPOSED

Control of the pineapple industry is provided in a bill introduced in the Straits Settlements Council in October, and it is expected that identical legislation will be enacted in the Federated Malay States. The bill provides for registration of canners, use of a canner's mark to be embossed on the cans, inspection of factories, etc.

JAPANESE SARDINES ENTER CUBAN MARKET

Early in 1933, Japanese exporters began to offer canned sardines in the Cuban market packed exactly like "California" sardines at a price considerably below that quoted by shippers on the west coast, according to the American commercial attache at Havana. Several shipments of these Japanese sardines have arrived and according to the trade their quality compares favorably with that of the United States product.

At the present time Japan is quoting on the basis of \$2.55 to \$2.65 per case of 48 15-ounce tins c.i.f. Havana, while exporters' prices on the California product fluctuate between \$3.00 and \$3.25 c.i.f. Havana. This differential in favor of the Japanese sardines is sufficiently large to overcome the duty preferential of 25 per cent granted American sardines.

The regular Cuban import duty on ordinary sardines (not boned) is four cents per kilogram (2.2 pounds) while those imported from the United States pay a duty of three cents per kilogram. Prior to 1927, however, the duty on these sardines was 30 per cent ad valorem, and, when imported from the United States 22.5 per cent ad valorem. The Cuban-Spanish Commercial Treaty of November 5, 1927, provides that the duty on Spanish canned sardines (among other products) may not be raised during the life of the treaty above the rates in effect on September 15, 1925; and as the Japanese Commercial Treaty with Cuba on April 11, 1930, contains the most favored nation clause, Japanese sardines are entitled to the same customs treatment as Spanish sardines. By clearing Japanese sardines under the 30 per cent ad valorem duty rate, instead of the 4 per cent kilogram, specific rate, the value of our 25 per cent preferential, due to the much lower price of the Japanese product, is considerably reduced.

RECORD FRUIT PACK IN AUSTRALIA

The Australian Canned Fruits Control Board reports the Australian 1933 pack of canned tree fruits as 2,036,679 cases of 24 30-ounce tins. This is 14 per cent larger than the previous record pack of 1930 and is somewhat less than twice the size of last year's output. Of the total, peaches amounted to 1,283,389 cases as compared with 532,037 in 1932, pears amounted to 529,671 cases as compared with 439,956, and apricots were 223,619 cases versus 182,070.

Australian exports of canned peaches, pears and apricots during the first half of 1933 amounted to 478,563 cases, as compared with 648,521 cases during the entire year 1932 and 797,839 cases in 1931.

BUSINESS CONDITIONS

Productive activity appears to be levelling off, following weeks of continuous decline, and several of the important statistical indicators have moved upward, according to the weekly review of the Department of Commerce. Steel mill activity was at 27 per cent of capacity in the week ending November 18, an advance of about 2 points over the rate a week earlier. The rate at the beginning of the week of the 25th was only .2 of a point

lower. Electric power production increased fractionally, and the gain over the corresponding week of 1932 was 5.6 per cent, compared with 6.8 per cent in the preceding week. The relative showing in the New England and East Central areas was better than a week ago, while the South, which is the only district where output has fallen below a year ago, reported a decline of 4 per cent from last year's figure as against 1 per cent in the week of November 11. Automobile production was slightly lower than in the preceding week.

The New York Times business index moved fractionally higher in the week of November 11, as a result of the improved trend of three of the six components. Lumber production increased after declining steadily since the end of September, and orders were 78 per cent above the cut. Bituminous coal output, although higher for the week, was below last year's production. Freight-car loadings continued to record a seasonal recession, but for the week they were 7.6 per cent above a year ago as against 3.5 per cent in the preceding week. Merchandise l. c. l. loadings were 2.8 per cent below last year's corresponding total. This was the only class of freight showing a smaller movement than a year ago.

Fisher's wholesale price index advanced to 72.1, or within one-tenth of a point of the high for the year. Both the agricultural and nonagricultural groups were higher.

The decline in bond prices continued, the current index showing a drop from the year's high of 10 per cent. Stock prices moved higher for the week. Reserve bank credit outstanding increased \$22,000,000, due mainly to a substantial increase in member bank reserve balances. Purchases of Government securities dropped to \$2,000,000, the smallest weekly total since last May. Loans of the reporting member banks decreased, due mainly to the drop in loans on securities. "All other" loans showed little change from the total reported in the preceding week.

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